



Earnings Update – Q3FY07

Unaudited Results

January 22, 2007





The Board of Directors of Kotak Mahindra Bank Limited at their meeting held on January 22, 2007, took on record the unaudited financial results for the quarter ended December 31, 2006.

Performance Highlights

- Consolidated total income up 82% to Rs 11,905.9 mn in Q3FY07 from Rs 6,535.7 mn in Q3FY06.
- Consolidated PAT up 107% to Rs 1,695.8 mn in Q3FY07 from Rs 818.1 mn in Q3FY06. YTD FY07 consolidated PAT up 74% YoY to Rs 3,679.1 mn.
- Consolidated advances up 53% YoY to Rs 137.1 bn as on December 31, 2006, with retail loans comprising 85% of the portfolio. Consolidated NIM for Q3FY07 at 5.2% (5.3% in Q3FY06).
- The Group employee strength was around 9,600 as on December 31, 2006 (6,000 employees as on December 31, 2005).
- As on December 31, 2006, the Bank had 90 full-fledged bank branches (53 branches as on December 31, 2005) across 59 towns and cities.
- Net Interest Income (NII) of the Bank (Standalone) for Q3FY07 up 88% YOY to Rs 1,712.8 mn.
- PAT of the Bank (Standalone) up 39% to Rs 454.0 mn in Q3FY07 from Rs 326.4 mn in Q3FY06.
- Capital adequacy ratio of the Bank as on December 31, 2006 was 11.59% (11.05% as on December 31, 2005). Tier I ratio was 8.58%.
- Deposits of the Bank grew by 75% to Rs 97.1 bn* (including current and savings deposits of Rs 17.8 bn*) as on December 31, 2006 from Rs 55.5 bn* (including current and savings deposits of Rs 8.5 bn*) as on December 31, 2005. Total number of deposit accounts were over 297,000 as on December 31, 2006 (139,700 as on December 31, 2005).
- Bank emerged winner in 16 categories in the Euromoney Private Banking Poll 2007, including the Best local Private Bank.
- Kotak Securities clocked average daily volumes of over Rs 40.0 bn during Q3FY07 (Rs 25.0 bn in Q3FY06).
- Total assets managed/ advised by the Group were Rs 227.3 bn (Rs 126.2 bn as on December 31, 2005).
- Kotak Investment Bank was awarded the Best Domestic Investment Bank and the Best Equity House in The Asset Triple A Country Awards.
- Kotak Mahindra Prime was awarded Voice of Customers 2006 Best Auto Finance Company in India by Frost & Sullivan.
- On account of adoption of the revised Accounting Standard (AS 15) on Employee Benefits, the impact for Q3FY07 is Rs 73.3 mn for the Group and Rs 32.9 mn for the Bank.
- In Q3FY07, with respect to the stressed assets acquired from other Banks /NBFCs, an additional provision of Rs 284.5 mn has been made in the consolidated financials and a provision of Rs 203.2 mn has been made in the Bank. The recognition of such assets as NPAs and additional provision thereon is in accordance with RBI norms for such assets which requires recognition of profit, NPAs and provisioning on individual asset basis. As a matter of clarification, the RBI norms for asset reconstruction companies (ARCs) for similar assets do not require such provisioning. Such recognition of NPA has resulted in consolidated Net NPA rising to 2.30%. Consolidated Net NPA excluding the stressed assets portfolio is 0.22%. This change has a negative impact of Rs 256.1 mn for Q3FY07 in the consolidated financials and Rs 174.8 mn for Q3FY07 in the Bank.

Note: 1. In order to facilitate comparison, all numbers for FY06 in this document are excluding non recurring items.

2. * excluding monies received as collection bankers Rs 1,918 mn as on December 31, 2006 and Rs 10,041 mn as on December 31, 2005.

Consolidated Financials

Revenues

Rs million

	Q3FY07	Q3FY06	Q2FY07	YTD FY07	YTD FY06	Growth (%)	FY06
	(3 months)	(3 months)	(3 months)	(9 months)	(9 months)		(12 months)
Financing activities	4,167.6	2,304.2	3,462.9	10,801.3	6,710.4	61.0%	9,641.6
Fee Income*	3,105.0	1,923.9	1,914.4	7,484.0	5,351.9	39.8%	8,595.5
Premium income	2,092.9	1,177.7	1,616.5	4,923.3	2,503.6	96.7%	6,121.2
Treasury/ Investments	2,305.8	1,000.0	1,884.0	4,914.7	2,412.1	103.8%	3,699.7
Others	234.6	130.0	157.2	583.4	311.8	87.1%	483.2
Total Revenues	11,905.9	6,535.7	9,035.0	28,706.8	17,289.8	66.0%	28,541.1

* Brokerage income is net of sub brokerage

Profits

Rs million

	Q3FY07	Q3FY06	Q2FY07	YTD FY07	YTD FY06	Growth (%)	FY06
	(3 months)	(3 months)	(3 months)	(9 months)	(9 months)		(12 months)
Profit before tax excl. retail liabilities & branch banking and life insurance	2,645.2	1,634.7	1,593.3	6,151.2	4,470.4	37.6%	6,557.9
<i>Retail liabilities</i>	(82.6)	(53.5)	(94.0)	(204.1)	(214.2)	-	17.8
<i>Life insurance</i>	(161.2)	(116.2)	(165.9)	(460.2)	(412.2)	-	(413.4)
Profit Before Tax	2,401.4	1,465.0	1,333.4	5,486.9	3,844.0	42.7%	6,162.3
PAT (after MI/ associates)	1,695.8	818.1	939.0	3,679.1	2,116.5	73.8%	3,424.6
EPS (diluted) (Rs) (non annualised)	5.16	2.62	2.86	11.27	6.82	65.2%	11.01

Consolidated Financials

Assets

Rs million

	As on December 31, 2006	As on December 31, 2005	Growth (%) YOY	As on March 31, 2006
Advances				
• Commercial vehicles	23,904	19,080	25%	18,731
• Auto loans	32,891	28,711	15%	30,637
• Personal loans	16,800	9,034	86%	10,069
• Home loans	15,771	7,806	102%	9,707
• Corporate Banking	20,774	10,278	102%	13,357
• Others	27,000	14,958	81%	21,698
Total Advances	137,139	89,866	53%	104,199
Investments/ Treasury Assets	79,429	38,356	107%	50,487
Total Advances and Investments	216,568	128,222	69%	154,686



Consolidated Financials

Analytical Ratios

	As on December 31, 2006	As on December 31, 2005	As on March 31, 2006
Net-worth (Rs mn)	30,889	17,583	22,471
Book value per share (Rs)	94.77	56.89	72.65
Net Interest Margin (%)	5.2%	5.3%	5.1%
Net NPAs (%) (excluding stressed assets portfolio)	* 0.22%	0.32%	0.21%
Return on average Net-worth (%)	15.9%	17.5%	20.6%
Pre-Tax Return on average net-worth (%) (before retail liabilities and life insurance businesses)	26.6%	37.0%	39.5%

* Net NPA including stressed assets portfolio was 2.30%. This is primarily due to provision as per RBI norms of Rs. 284.5 mn made on the consolidated stressed assets purchased from other Banks/NBFCs.

Company-wise Profit After Tax

Rs million

	Q3FY07	Q3FY06	Q2FY07	YTD FY07	YTD FY06	Growth (%)	FY06
	(3 months)	(3 months)	(3 months)	(9 months)	(9 months)		(12 months)
Kotak Mahindra Bank (Standalone)	454.0	326.4	348.0	1,041.1	835.0	24.7%	1,182.3
Kotak Mahindra Prime	108.8	86.2	109.2	329.6	113.6	190.2%	208.8
Kotak Mahindra Capital Company	189.4	182.6	154.2	473.1	298.6	58.4%	565.7
Kotak Securities	804.1	490.2	314.3	1,806.4	1,351.3	33.7%	2,155.4
International subsidiaries	196.3	68.7	24.7	270.8	107.9	151.0%	133.3
Kotak Mahindra AMC & Trustee Co	23.3	13.8	45.7	102.3	66.1	54.7%	76.3
Kotak Mahindra Old Mutual Life Insurance	(175.8)	(120.5)	(169.0)	(482.4)	(420.1)	-	(432.4)
Kotak Mahindra Investments	33.0	65.2	21.7	110.2	195.8	-43.7%	278.0
Others	(0.8)	2.7	0.6	0.7	70.5	-99.0%	67.9
Total consolidated profit after tax	1,632.2	1,115.3	849.4	3,651.9	2,618.6	39.5%	4,235.3
Equity Affiliates	21.1	9.9	45.9	109.8	8.2	-	22.5
Minority interest and other adjustments	42.5	(307.0)	43.6	(82.5)	(510.3)	-	(833.3)
PAT (after minority interest / adjustments)	1,695.8	818.1	939.0	3,679.1	2,116.5	73.8%	3,424.6

Kotak Mahindra Bank – Standalone
Rs million

Revenues	Q3FY07	Q3FY06	Q2FY07	YTD FY07	YTD FY06	Growth (%)	FY06
	(3 months)	(3 months)	(3 months)	(9 months)	(9 months)		(12 months)
Lending	2,371.3	1,157.8	1,964.7	5,960.0	3,435.4	73.5%	4,928.0
Corporate Banking	1,053.2	458.8	807.5	2,693.8	1,183.7	127.6%	1,817.0
Retail Liabilities	1,047.9	444.2	743.0	2,527.9	1,062.1	138.0%	2,019.8
Treasury and Investments	1,175.0	538.9	992.5	2,819.5	1,544.5	82.6%	1,884.1
Venture Fund Management	38.1	77.8	50.7	133.0	132.6	0.3%	176.8
Corporate Centre	-	147.7	-	-	446.8	-	547.8
<i>Inter-segment revenue</i>	(1,160.2)	(515.9)	(982.0)	(2,967.3)	(1,370.0)	-	(2,006.3)
<i>Un-allocable revenue(net)</i>	-	-	-	-	-	-	2.3
Total Revenue	4,525.3	2,309.2	3,576.4	11,166.9	6,435.1	73.5%	9,369.5

Rs million

Profits	Q3FY07	Q3FY06	Q2FY07	YTD FY07	YTD FY06	Growth (%)	FY06
	(3 months)	(3 months)	(3 months)	(9 months)	(9 months)		(12 months)
Lending	191.3	265.4	298.0	647.9	825.8	-21.5%	1,146.1
Corporate Banking	426.0	98.7	202.7	822.9	264.1	211.6%	386.6
Retail Liabilities	(82.6)	(53.5)	(94.0)	(204.1)	(214.2)	-	17.8
Treasury and Investments	139.0	(2.9)	87.2	249.0	(9.9)	-	(173.9)
Venture Fund Management	19.0	65.5	19.0	61.4	88.9	-30.9%	86.4
Corporate Centre	-	68.1	-	-	267.5	-	270.6
<i>Un allocable Expenditure</i>	-	-	-	-	-	-	2.3
Total Profit before tax	692.7	441.4	512.8	1,577.1	1,222.1	29.0%	1,736.0
Provision for tax	238.7	115.0	164.8	536.0	387.1	-	553.7
Profit after tax	454.0	326.4	348.0	1,041.1	835.0	24.7%	1,182.3

As a result of cessation of a significant part of revenues in the corporate centre segment, effective April 1, 2006, corporate centre ceases to be a segment. Hence, the segment results are not comparable.

Kotak Mahindra Bank– Standalone
Assets
Rs million

	As on December 31, 2006	As on December 31, 2005	Growth (%) YOY	As on March 31, 2006
Advances				
• Commercial vehicles	23,904	19,080	25.3%	18,731
• Personal loans	16,800	9,034	86.0%	10,069
• Home loans	15,771	7,806	102.0%	9,707
• Corporate Banking	20,701	10,485	97.4%	13,358
• Others	17,670	6,764	161.2%	11,620
Total Advances	94,846	53,169	78.4%	63,485
Investment / Treasury Assets	49,493	27,854	77.7%	28,555
Total Assets	144,339	81,023	78.1%	92,041

Liabilities
Rs million

	As on December 31, 2006	As on December 31, 2005	Growth (%) YOY	As on March 31, 2006
Deposits	99,014	65,497	51.2%	65,659
Deposits (net of monies received as collection bankers)	97,096	55,456	75.1%	65,555
Borrowings	27,654	9,178	201.3%	16,092

Bank Performance Highlights

- As on December 31, 2006, the Bank had 90 full-fledged bank branches (53 branches as on December 31, 2005) across 59 towns and cities in India. The Bank proposes to have a total of around 110 full-fledged branches by March 2007 across 65 towns and cities.
- Net Interest Income (NII) of the Bank (Standalone) for Q3FY07 up 88% YoY to Rs 1,712.8 mn (Rs 913.1 mn in Q3FY06).
- PAT of the Bank (Standalone) up 39% to Rs 454.0 mn in Q3FY07 from Rs 326.4 mn in Q3FY06. This is after considering a) provision on stressed assets portfolio of Rs 203.7 mn; b).additional standard provision consequent to the change in RBI guidelines of Rs 63.9 mn; c) provision for employee benefit as per revised AS-15 Rs 32.9 mn.
- Advances up 78% YoY to Rs 94.8 bn. Personal loans up 86% to Rs 16.8 bn.
- Deposits of the Bank grew by 75% to Rs 97.1 bn* (including current and savings deposits of Rs 17.8 bn*) as on December 31, 2006 from Rs 55.5 bn* (including current and savings deposits of Rs 8.5 bn*) as on December 31, 2005. Total number of deposit accounts were over 297,000 as on December 31, 2006 (139,700 as on December 31, 2005).
- Bank emerged winner in 16 categories in the Euromoney Private Banking Poll 2007, including the Best Local Private Bank.
- Fees from distribution of financial products were Rs 333.1 mn in Q3FY07 (Rs 215.6 mn in Q3FY06).
- Capital adequacy ratio of the Bank as on December 31, 2006 was 11.59% (11.05% as on December 31, 2005). Tier I ratio was 8.58%.
- During Q3FY07 the Bank issued Rs 771.0 mn of Bonds eligible to be classified as Tier II Capital. As on December 31, 2006, the Bank had issued Rs 3,500.0 mn of such Bonds.
- Following the circulars issued by RBI, the Bank has increased its provision on standard assets to reach 1% in a gradual manner by March 2007. This has resulted in an increase in provision for standard assets by Rs 63.9 mn for Q3FY07 and Rs 136.2 mn for YTD FY07.

**excluding monies received as collection bankers Rs 1,918 mn as on December 31, 2006 and Rs 10,041 mn as on December 31, 2005*

Key Subsidiaries – Highlights

Kotak Mahindra Prime – car finance, other lending

Rs million

	Q3 FY07 (3 months)	Q3 FY06 (3 months)	Q2 FY07 (3 months)	YTD FY07 (9 months)	YTD FY06 (9 months)	FY06 (12 months)
Total income	1,149.5	747.6	957.2	3,068.7	2,124.9	3,032.0
Profit before royalty & taxes	154.6	134.5	157.8	475.3	408.3	546.2
Profit after royalty before taxes	154.6	130.7	157.8	475.3	173.2	311.1
Profit after tax	108.8	86.2	109.2	329.6	113.61	208.8

- Receivables for car finance were Rs 32.9 bn as on December 31, 2006 up 15% YOY.
- Awarded Voice of Customers 2006 Best Auto Finance Company in India by Frost & Sullivan.

Kotak Mahindra Capital Company – investment banking and primary dealer

Rs million

	Q3FY07 (3 months)	Q3FY06 (3 months)	Q2FY07 (3 months)	YTD FY07 (9 months)	YTD FY06 (9 months)	FY06 (12 months)
Total income	529.0	402.5	467.8	1,439.1	853.3	1,542.4
Profit before tax	271.3	257.6	204.6	646.6	414.3	764.9
Profit after tax	189.4	182.6	154.2	473.1	298.6	565.7

- Kotak Investment Bank was awarded the Best Domestic Investment Bank and the Best Equity House in The Asset Triple A Country Awards.
- Acted as the exclusive advisors to Great Eastern Shipping Company Ltd for the de-merger of its Offshore division and successfully completed the listing of the new offshore company, Great Offshore Limited.
- Acted as financial advisors to Mahindra & Mahindra for their acquisition of Schoneweiss & Co., GmbH, a leading company in the forgings sector in Germany.
- Kotak Investment Banking successfully completed the domestic equity offerings of Lanco Infratech and Sobha Developers, the latter being oversubscribed 125 times, one of the highest oversubscriptions in recent times.
- Acted as Global Co-ordinator and Joint Book Runner to the Rs 1.5 bn QIP by Marico Limited.
- Segmental PBT for Trading and Principal Investments stood at Rs 222.1 mn for YTD FY07 as compared to Rs 113.8 mn for YTD FY06.

Kotak Securities – stock broking
Rs million

	Q3FY07	Q3FY06	Q2FY07	YTD FY07	YTD FY06	FY06
	(3 months)	(3 months)	(3 months)	(9 months)	(9 months)	(12 months)
Total income	2,386.0	1,429.2	1,479.4	6,006.9	3,979.4	6,207.3
Profit before tax	1,119.3	707.0	481.8	2,610.8	1,979.4	3,204.8
Profit after tax	804.1	490.2	314.3	1,806.4	1,351.3	2,155.4

- Kotak Securities (retail, online and institutional segments) clocked average daily volumes of over Rs 40.0 bn during Q3FY07 as compared to around Rs 25.0 bn during Q3FY06. Average daily volumes for FY 06 were Rs 24.4 bn.
- Kotak Securities accounted for 9.7% of the total average daily market volumes during Q3FY07 and 9.0% during YTD FY07.
- AUM in Portfolio Management Services (PMS) was Rs 21.3 bn as on December 31, 2006 (Rs 24.3 bn as on December 31, 2005). This is primarily due to redemption of certain close ended schemes aggregated to Rs 6.8 bn.
- Kotak Institutional Equities continued to achieve its targets with a steady growth in its revenues. This has been achieved through continuous investments in the research product, increased emphasis on marketing and client relationships, both in terms of depth and width.
- Kotak Securities has significant presence and market share in the F&O segment.
- Kotak Securities has a network of over 815 offices (own & franchisees) across 284 cities and towns and services over 292,000 secondary market customers.

Kotak Mahindra Asset Management Company and Trustee Company – asset management
Rs million

	Q3FY07	Q3FY06	Q2FY07	YTD FY07	YTD FY06	FY06
	(3 months)	(3 months)	(3 months)	(9 months)	(9 months)	(12 months)
Total income	137.5	103.4	136.2	405.9	285.1	393.1
Profit before tax (AMC)	18.0	11.4	52.8	104.5	74.1	78.3
Profit after tax (AMC)	12.0	7.1	34.5	67.5	48.1	50.6
Profit before tax (Trustee Company)	16.6	9.9	16.5	50.5	26.7	37.7
Profit after tax (Trustee Company)	11.2	6.7	11.2	34.8	18.0	25.7

- Total AUM as on December 31, 2006 was Rs 126.9 bn (Rs 74.0 bn as on December 31, 2005). Equity AUM as on December 31, 2006 was Rs 26.4 bn (Rs 20.2 bn as on December 31, 2005).
- KMAMC has 53 branches and satellite offices servicing over 460,000 investors.
- NFO of Kotak Dynamic Asset Allocation during Q3FY07 garnered Rs 6.7 bn.

Kotak Mahindra Old Mutual Life Insurance - life insurance
Rs million

	Q3FY07	Q3FY06	Q2FY07	YTD FY07	YTD FY06	FY06
	(3 months)	(3 months)	(3 months)	(9 months)	(9 months)	(12 months)
Gross premium income	2,132.6	1,209.7	1,678.5	5,047.7	2,578.4	6,218.5
Loss	(175.7)	(120.5)	(169.0)	(482.3)	(420.1)	(432.4)

- Kotak Life Insurance (KLI) premium income grew 76% to Rs 2,132.6 mn in Q3FY07 from Rs 1,209.7 mn in Q3FY06.
- KLI has a network of 65 branches in 44 cities (44 branches as on March 06).
- As on December 31, 2006, KLI had over 248,000 individual policies on books representing a basic sum assured of around Rs 103.5 bn (excluding riders). Additionally, KLI had around 198 group policies covering over 324,000 lives with an aggregate sum assured of around Rs 91.2 bn.

Safe Harbor

This document contains certain forward- looking statements based on current expectations of Kotak Mahindra management. Actual results may vary significantly from the forward- looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and outside India, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the businesses of Kotak Mahindra Group as well as its ability to implement the strategy. Kotak Mahindra does not undertake to update these statements.

This document does not constitute an offer or recommendation to buy or sell any securities of Kotak Mahindra Bank or any of its subsidiaries and associate companies. This document also does not constitute an offer or recommendation to buy or sell any financial products offered by Kotak Mahindra, including but not limited to units of its mutual fund and life insurance policies.

All investments in mutual funds and securities are subject to market risks and the NAV of the schemes may go up or down depending upon the factors and forces affecting the securities market. The performance of the sponsor, Kotak Mahindra Bank Limited, has no bearing on the expected performance of Kotak Mahindra Mutual Fund or any schemes thereunder.

Figures for the previous period/ year have been regrouped wherever necessary to conform to current period's/ year's presentation.

Totals in some columns/ rows may not agree due to rounding off.

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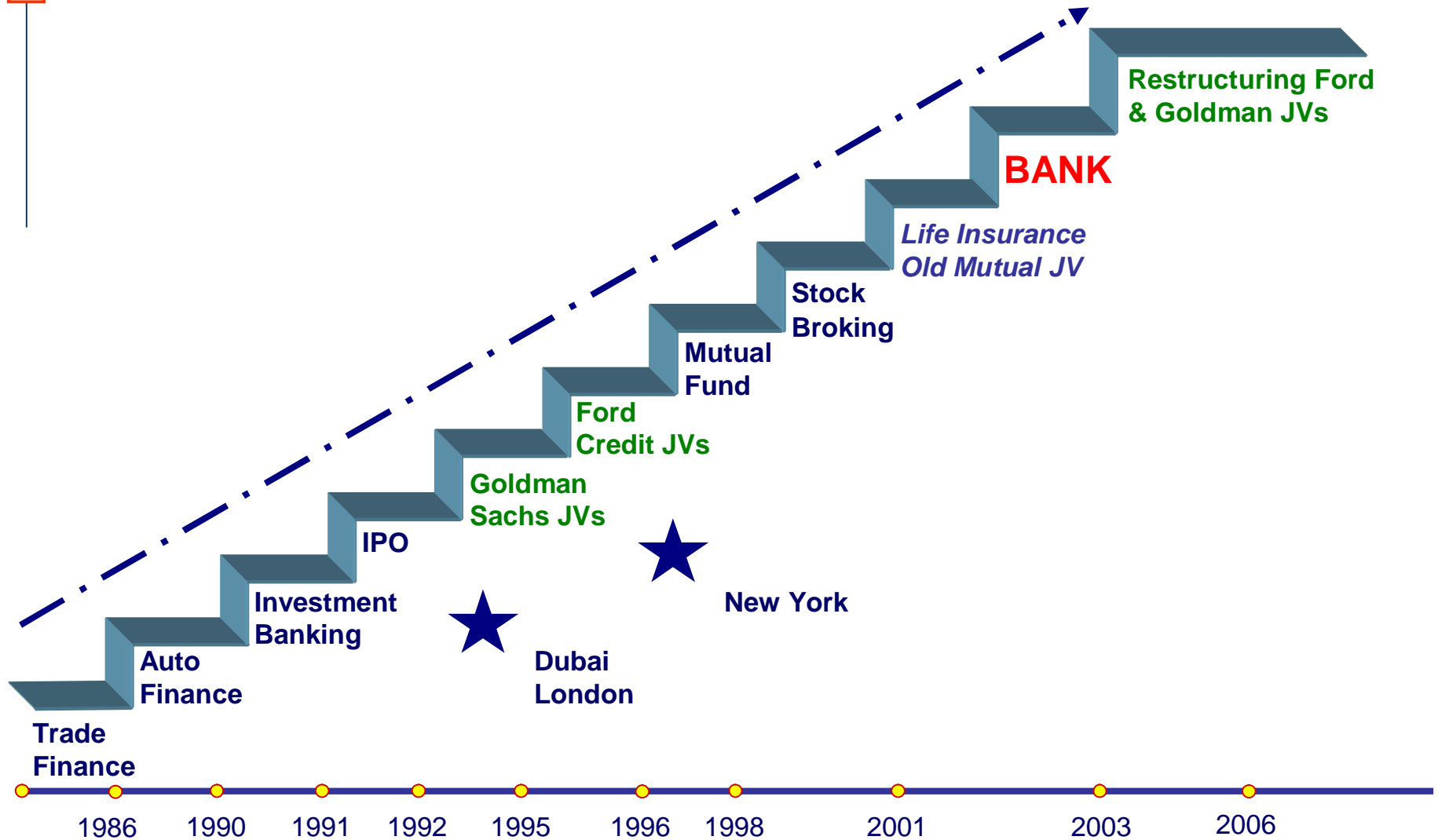
E-mail: jaimin.bhatt@kotak.com / naozad.sirwalla@kotak.com / investor.relations@kotak.com



March 2007



Journey so far...



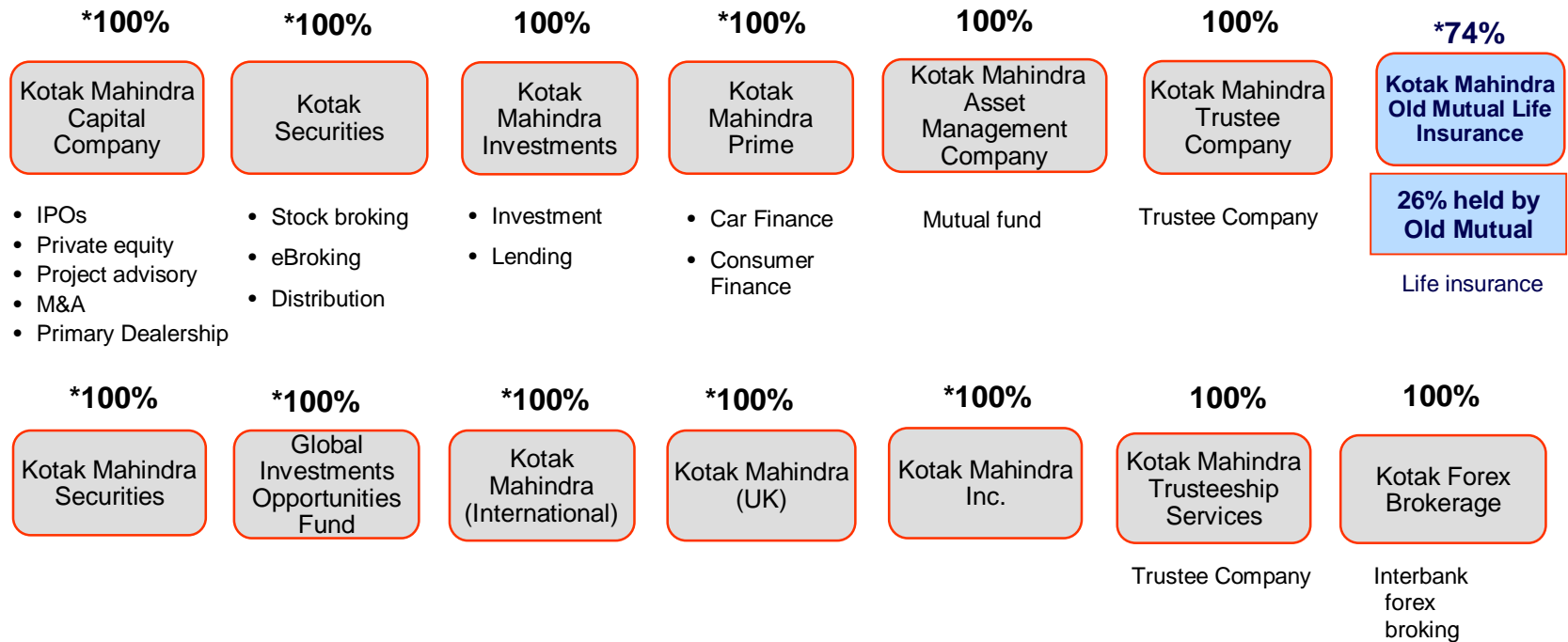
In October 2005, Kotak Group acquired the 40% stake in Kotak Prime held by Ford Credit International (FCI) and FCI acquired the stake in Ford Credit Kotak Mahindra (FCKM) held by Kotak Group.

In May 2006, Kotak Group bought 25% stake held by Goldman Sachs in Kotak Mahindra Capital Company and Kotak Securities

Group Structure



Wealth Management
Retail Branch Banking
Retail Lending
Corporate Banking
Treasury



*Includes direct and indirect holdings

Awards & Recognition



- Kotak Mahindra Bank : Innovator of the Year 2006



- Most Popular Investor Relation Website for the Asia/Pacific Region



Indian Banks' Association

- In the Annual Banking Technology Awards 2006 Kotak Mahindra Bank was awarded "IT Team of the Year" & Runner's up in the "Best Payments Initiative" category



- # 2 in The Best Banks 2006 (Balance Sheet < Rs 20,000 cr; > 10 branches)



- # 5 in India's Best Listed Bank

FROST & SULLIVAN

- Best Passenger Vehicle Finance Company in India 2006

- Voice of Customers 2006 Best Auto Finance Company in India



- In the Annual Euromoney Private Banking Survey Poll for 2007 for India, Kotak Mahindra Bank was awarded in sixteen categories



- Best Domestic Investment Bank and the Best Equity House



- Kotak Securites was ranked The Most Customer Responsive Company for 2006

Leadership in the Indian Market



asiamoney

- Topped the Brokers Poll as the Best Local Broker: 2006
- Winner in 33 categories in the Asiamoney Private Banking Poll 2006; including the Best Private Bank award in Southern Asia



- Best Bond Fund House 2006
- Kotak Bond Regular Plan was ranked the best debt fund over 3 years 2006



- 'Kotak Bond Regular Plan' was ranked ICRA-MFR1 and was the recipient of the Silver Award



- # 1 Book runner/ Lead Manager in terms of value of Indian equity offerings (PRIME Database) 2006, 2005



- Best Mutual Fund House in the NDTV Business Leadership Award 2006



- Best Investment Bank in India 2006,
- Best Broker - Kotak Securities : 2006, 2005

Highlights – Q3FY07



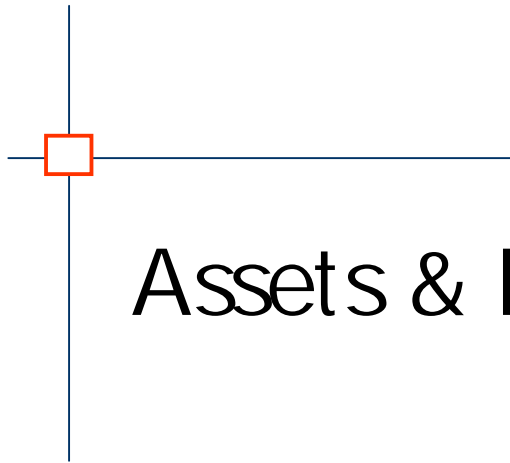
- Consolidated PAT up 107% YoY to Rs 1,695.8 mn
- Consolidated advances up 53% YoY to Rs 137.1 bn
- Consolidated NIM 5.2% (5.3% Dec 05)
- CASA deposits grew 109% YoY to Rs 17.8 bn*
 - CASA ratio 18%* (15%* Dec 05)
- 90 full fledged branches (53 branches Dec 05) in 59 cities and towns
- Consolidated net NPAs (excluding stressed assets portfolio) 0.22% (0.32% Dec 05)

* Excluding monies received as collection bankers Rs 1,918 mn as on December 31, 2006 and Rs 10,041 mn as on December 31, 2005

Highlights – Q3FY07



- Kotak Mahindra Prime
 - Awarded Voice of Customers 2006 Best Auto Finance Company in India by Frost & Sullivan
- Kotak Mahindra Capital Company
 - Awarded Best Domestic Investment Bank and the Best Equity House in The Asset Triple A Country Awards
- Kotak Securities
 - Average daily volumes - Rs 40.0 bn (Rs 25.0 bn Q3FY06)
 - Market share Q3 FY07 : 9.7% ; YTD FY07 : 9.0%
- AUM of the group over Rs 227.3 bn (Rs 126.2 bn Dec 05)
 - Equity AUM Rs 118.8 bn (Rs 67.6 bn Dec 05)
- Kotak Life
 - Premium income up 76% YOY to Rs 2,132.6 mn
- Total group headcount 9,600
 - Added 775 employees during Q3FY07



Assets & Liabilities

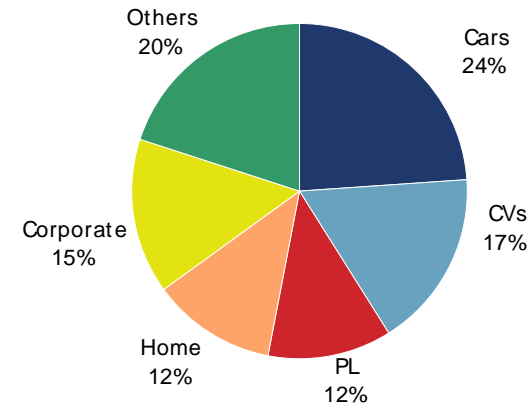


Consolidated Advances

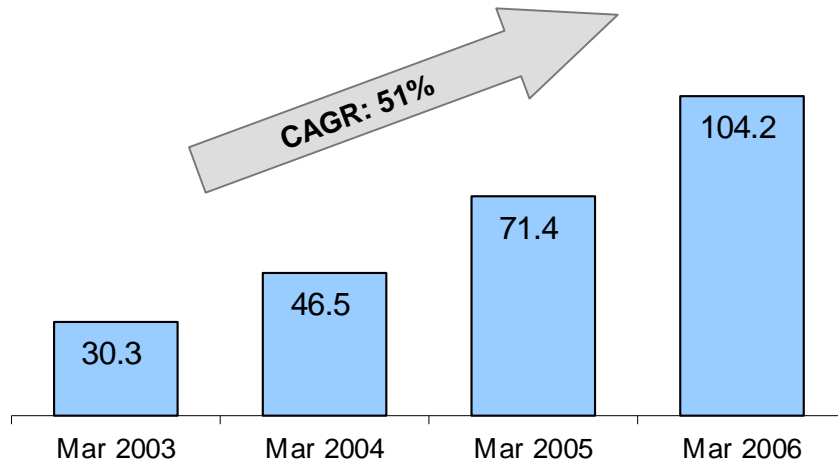


- Retail assets 85% of advances
- NIMs – 5.2% (5.3% Q3FY06)
- Net NPA* 0.22% (0.32% Dec 05)
- Stressed assets portfolio Rs 4.6 bn – Dec 06; outstanding recoverable Rs 29 bn - Dec 06 – potential for significant returns
- Provision of Rs 284.5 mn made in Q3FY07 on stressed assets portfolio in accordance with RBI norms

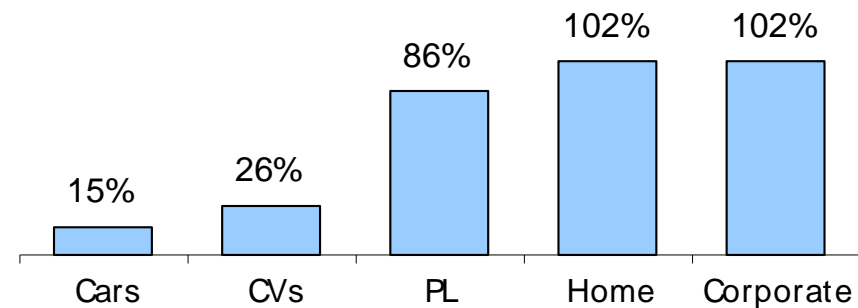
Advances Rs 137.1 bn (Dec 06)



Total Advances Growth



Growth in Advances - Dec 06 v/s Dec 05



* excluding stressed assets portfolio

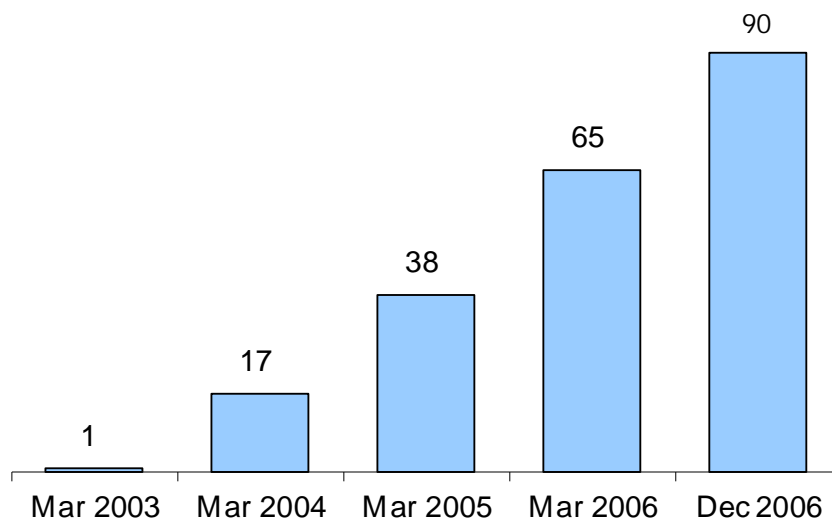
Retail Liabilities



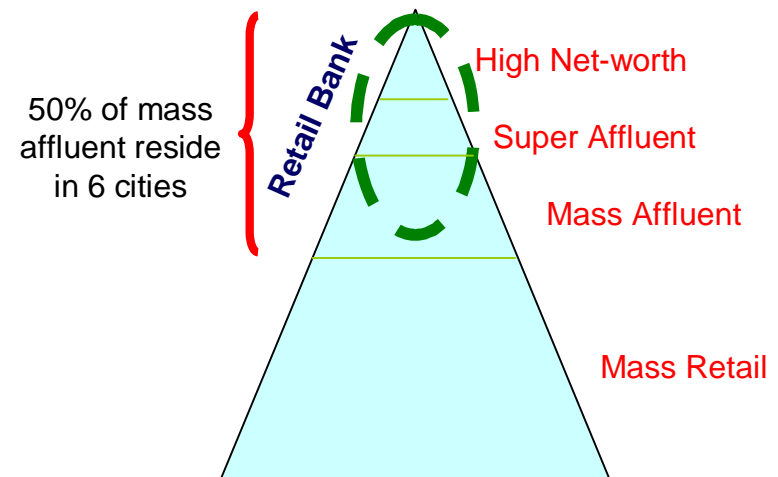
Overview

- 100 full fledged bank
- Target around 110 branches across 65 cities by March 07
- Focus primarily on HNI and mass affluent population
- Emphasis on personalised advisory solutions
- CASA ratio 18%*
- Significant contribution from distribution of financial products

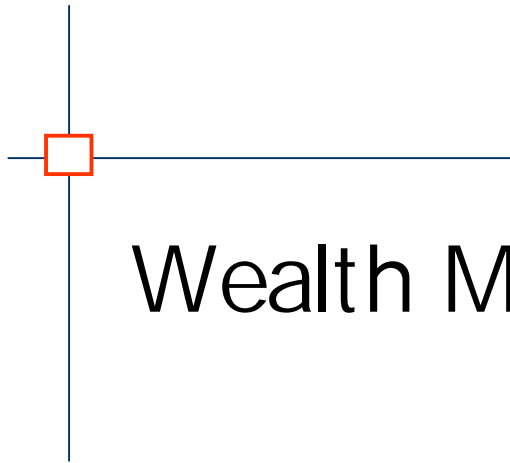
No. of full fledged Bank branches



Customer Focus



* Excluding monies received as collection bankers



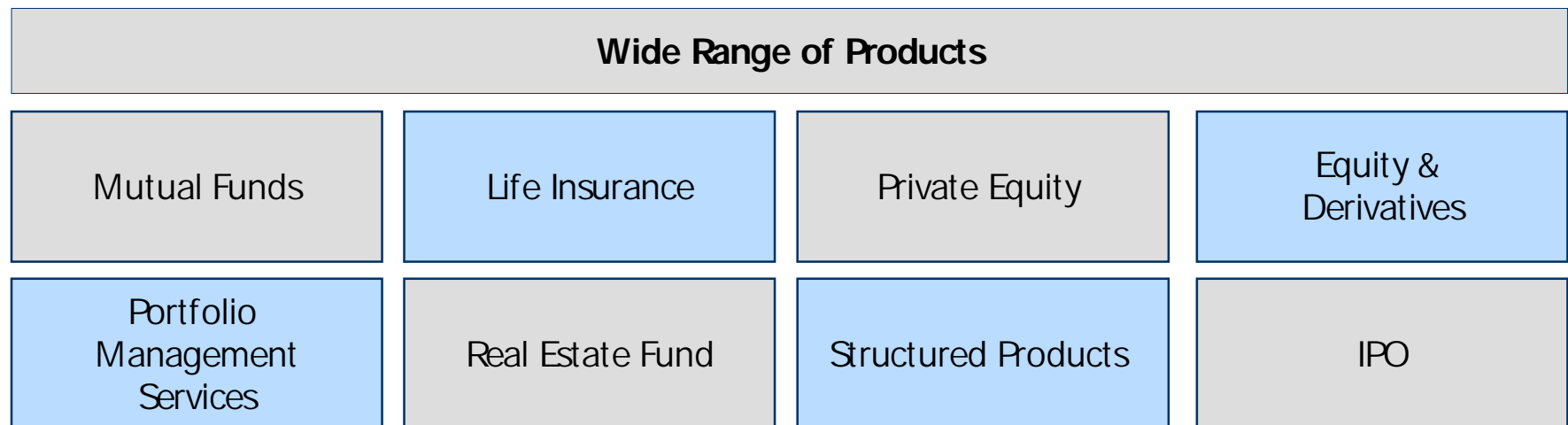
Wealth Management



Wealth Management



- Focus on HNI customers
 - Managing wealth of over 3,200 families
- Presence in 14 cities with over 100 relationship managers
- Awards in sixteen categories in Euromoney Private Banking Poll 2007
 - Best Private Bank for ultra high net worth investors
- Winner in 33 categories in the Asiamoney Private Banking Poll 2006; including the Best Private Bank award in Southern Asia





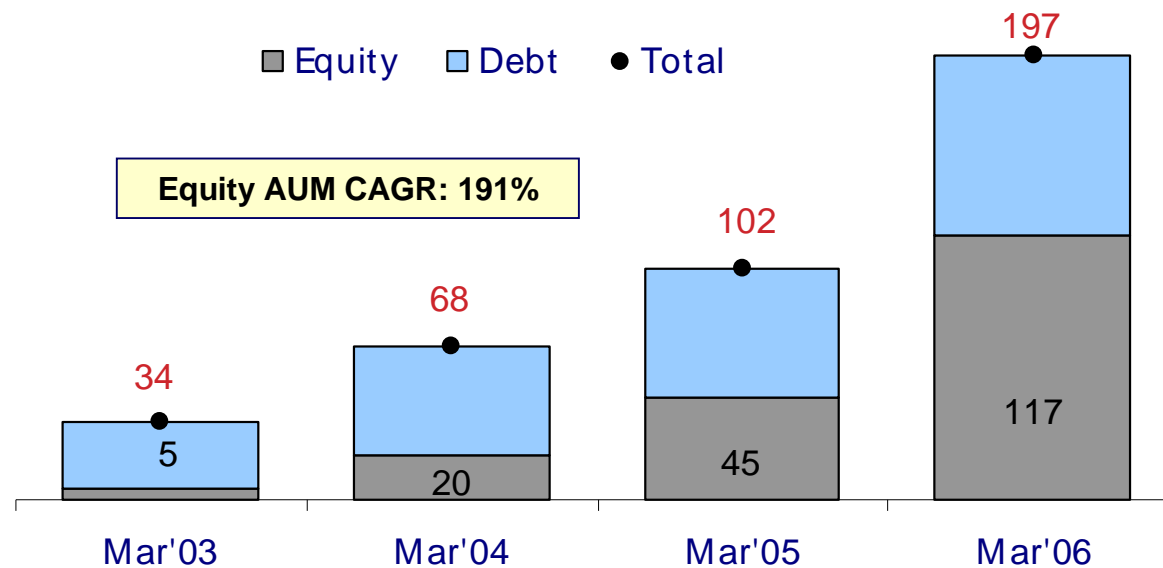
Asset Management

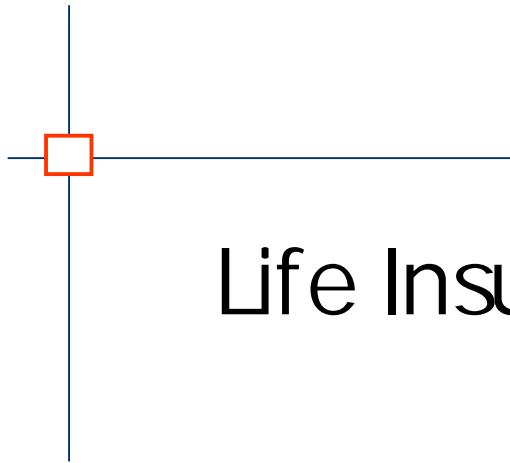


Overview

- Around Rs 227.3 bn (US\$ 5.0 bn) of assets managed / advised by the group
- Alternate asset classes added during FY06
 - Private equity – India Growth Fund with commitments of Rs 7 bn
 - Kotak Mahindra Realty Fund with commitments of over Rs 4.6 bn
 - International tranche launched

Group AUM (Rs bn)





Life Insurance

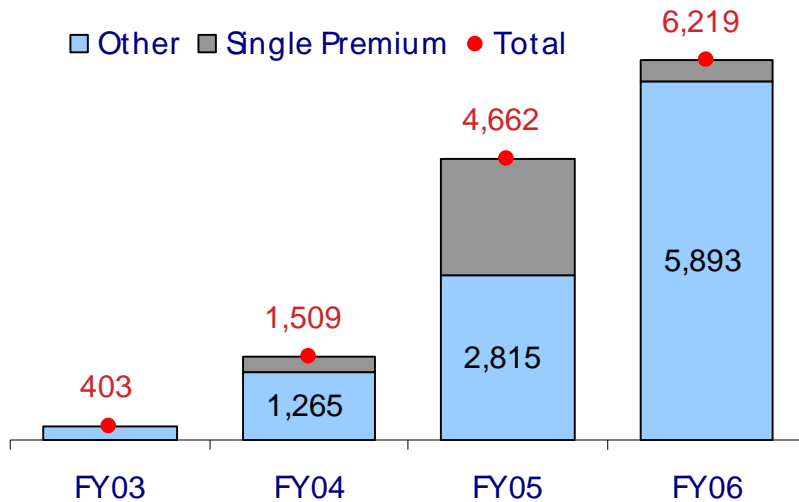


Life Insurance

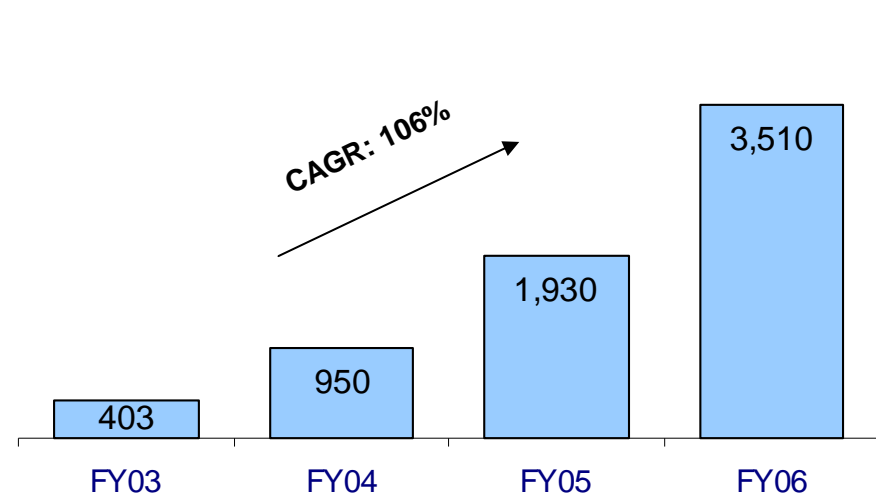


- JV with Old Mutual
- Group synergies contribute to growth
- Continue investments to build a long-term stable business
- Focus on value creation while scaling size
- Q3FY07 premium income up 76% YOY to Rs 2,132.6 mn
- YTD Dec 06 premium income up 96% YOY to Rs 5,047.7 mn

Total Premium Income (Rs mn)



First year premium (single @ 1/10th) (Rs mn)



Building blocks for growth



- Capability

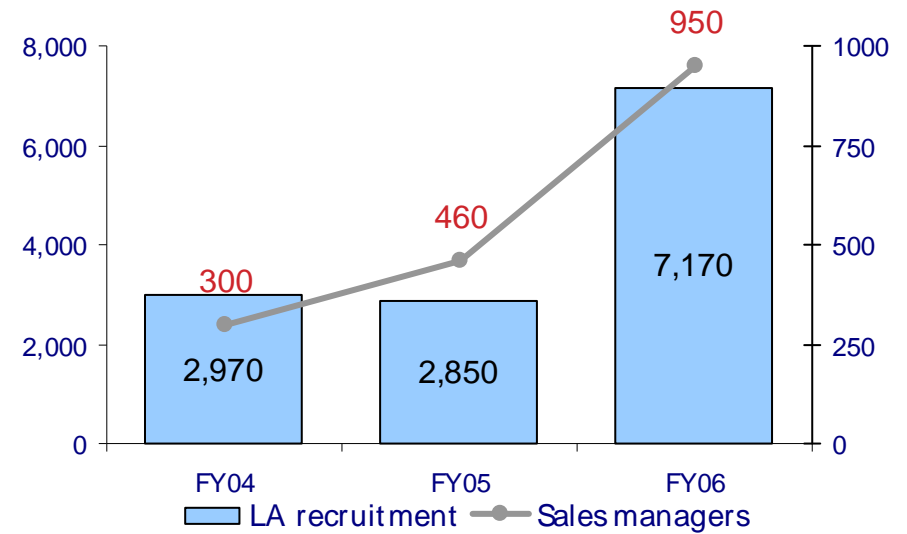
- 2,882 employees
- 19,066 life advisors
- 222 corporate agents; 120 brokers;
100 Direct Sales Agent
- Established systems and processes

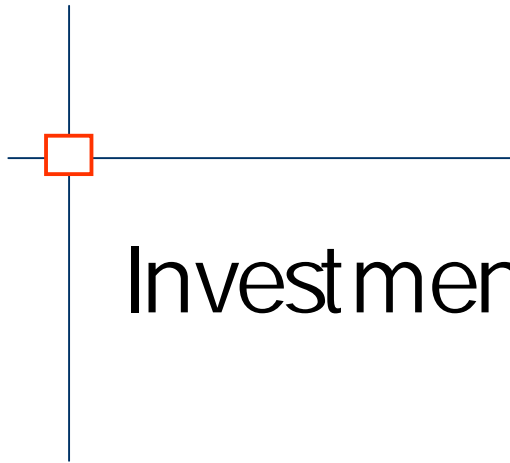
- Geographical reach

- 65 branches in 44 cities

- Products

- Full suite of products – risk, saving and pension
- 17 products – Individual; 5 products – Group; 1 product - Rural










Investment Banking



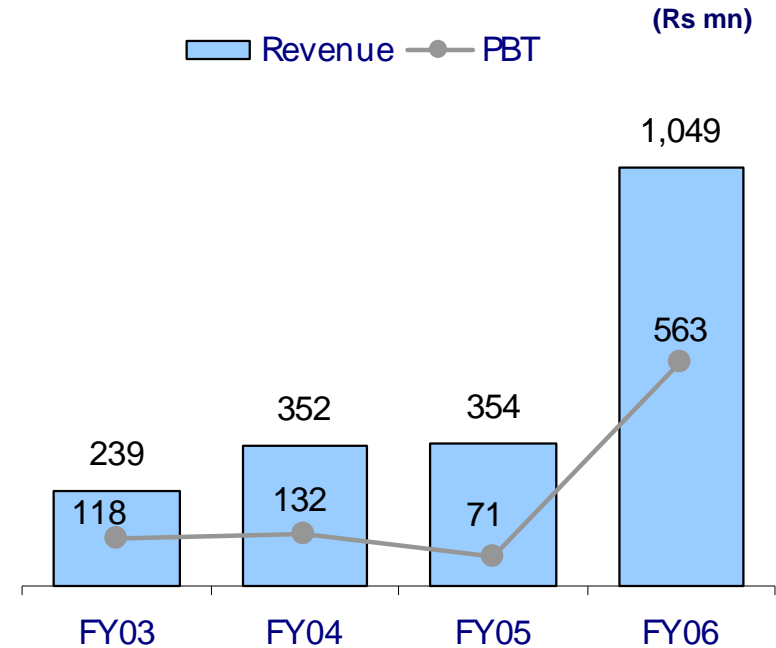
Investment Banking



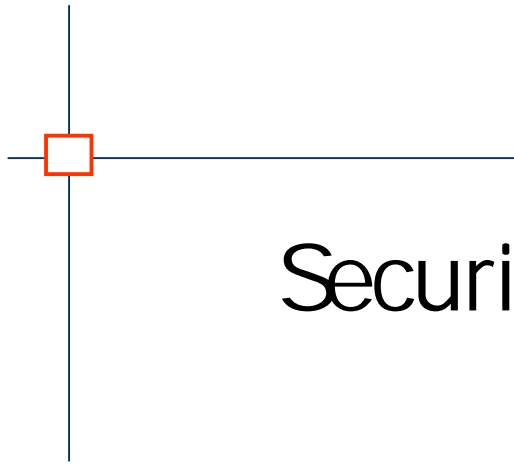
Industry Awards & Rankings

	Best Domestic Investment Bank and Best Equity House	2006
	Best Equity House in India	2005, 2004, 2003
	Best Equity House in India	2004, 2003
	Best Investment Bank in India	2006, 2004, 2003
	Best Equity House in India	2004

KMCC - Investment Banking segment



International Subsidiaries	Registered with	▶	<ul style="list-style-type: none"> - International Offerings - Investment Management
- Kotak Mahindra (UK)	- FSA, SEBI, DFSA		
- Kotak Mahindra Inc	- NASD		
- Kotak Mahindra (International)	- FSC		







Securities



India's leading securities brokerage firm 9.7% market share in Q3FY07

- Strong presence in retail and institutional segments
- Institutional sales team in New York and London
- Network of 815 offices (own & franchisees) across 284 cities (644 offices in 203 cities Dec 05)

	Topped the Brokers Poll for Best Local Broker	2006
	Best Broker	2006, 2005
	Best Equity House	2005
	Best Equity House	2004

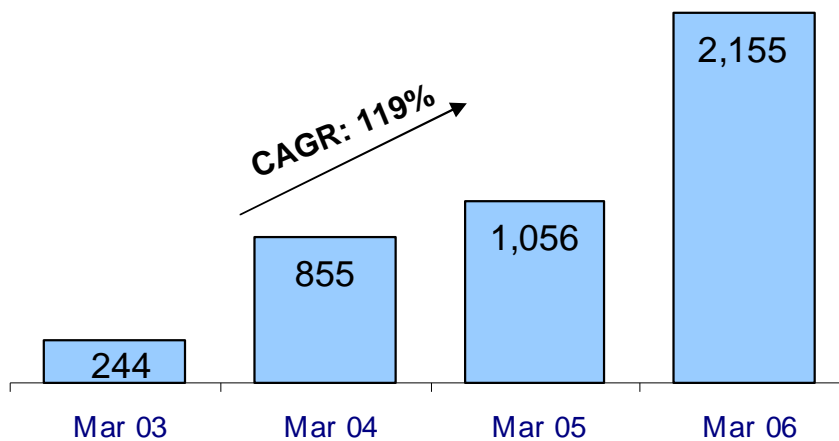


Securities

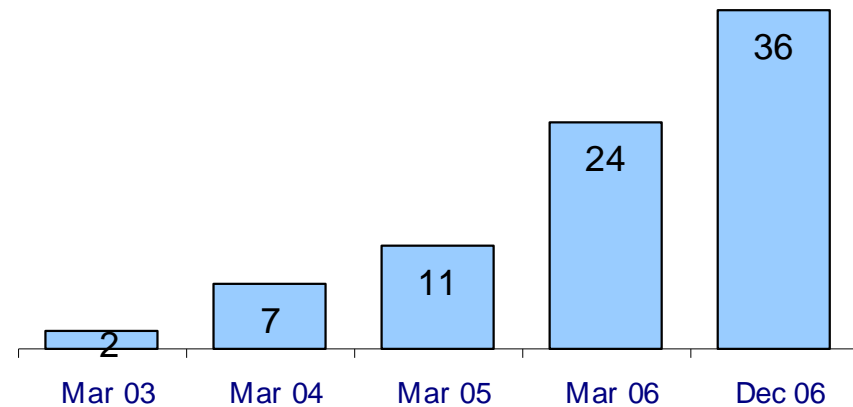


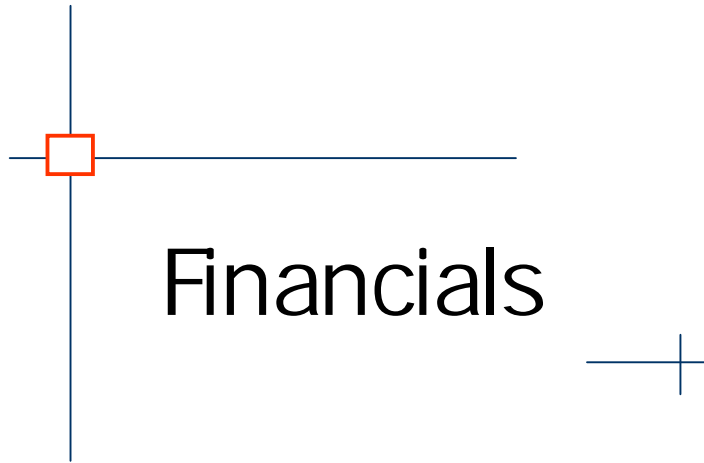
- Strong research team
- Wide coverage
 - Institutional research 123 companies
 - Retail research 135 companies
- Awarded Best Provider of Portfolio Management – Equities by Euromoney Private Banking Poll 2006
- Over 2,92,000 secondary market customers

KS PAT (Rs mn)



KS Average Daily Volumes (Rs bn)





Consolidated Revenue



Rs mn	Q3FY07 (3M)	Q3FY06 (3M)	YTD Dec 06 (9M)	YTD Dec 05 (9M)	FY06 (12M)
Financing	4,167.6	2,304.2	10,801.3	6,710.4	9,641.6
Fees #	3,105.0	1,923.9	7,484.0	5,351.9	8,595.5
Insurance Premium	2,092.9	1,177.7	4,923.3	2,503.6	6,121.2
Treasury (excl Hutch)	2,305.8	1,000.0	4,914.7	2,412.1	3,699.7
Others	234.6	130.0	583.4	311.8	483.2
Total Revenue (excl Hutch)	11,905.9	6,535.7	28,706.8	17,289.8	28,541.1

brokerage income is net of sub-brokerage

Consolidated PAT



Rs mn	Q3FY07 (3M)	Q3FY06 (3M)	YTD Dec 06 (9M)	YTD Dec 05 (9M)	FY06 (12M)
Bank	454.0	326.4	1,041.1	835.0	1,182.3
KMP	108.8	86.2	329.6	113.6	208.8
KMCC	189.4	182.6	473.1	298.6	565.7
KS	804.1	490.2	1,806.4	1,351.3	2,155.4
International Subs	196.3	68.7	270.8	107.9	133.3
KMAMC/KMTC	23.3	13.8	102.3	66.1	76.3
KLI	(175.8)	(120.5)	(482.4)	(420.1)	(432.4)
KMIL	33.0	65.2	110.2	195.8	278.0
Others	(0.8)	2.7	0.7	70.5	67.9
Total Group	1,632.2	1,115.3	3,651.9	2,618.6	4,235.3
Equity Affiliates	21.1	9.9	109.8	8.2	22.5
MI and other adjustments	42.5	(307.0)	(82.5)	(510.3)	(833.3)
Consolidated PAT	1,695.8	818.1	3,679.1	2,116.5	3,424.6

For FY06 all numbers are excluding profit on stake of sale in Hutch

Consolidated Ratios



Key Parameters	As on Dec 31, 06	As on Dec 31, 05	As on Mar 31, 06
Net Worth (Rs mn)	30,889	17,583	22,471
Book Value per share (Rs)	94.77	56.89	72.65
Earning per share – diluted (Rs) YTD non annualised	11.27	6.82	11.01
Net NPA (%) (excluding stressed assets portfolio)	* 0.22%	0.32%	0.21%
Net Interest Margin (%)	5.2%	5.3%	5.1%
Post tax return on avg. Net worth (%)	15.9%	17.5%	20.6%
Pre Tax return on avg. Net worth (%) (before Retail liabilities and Insurance)	26.6%	37.0%	39.5%

* Net NPA including stressed assets purchased from other Banks/ NBFCs was 2.30%. This is primarily due to provision as per RBI norms of Rs 284.5 mn.

For FY06 all numbers are excluding profit on stake of sale in Hutch

Bank Standalone - Segmental



Rs million

Segment PBT	Q307 (3 M)	Q306 (3 M)	YTD Dec 06 (9 M)	YTD Dec 05 (9 M)	FY06 (12 M)
Lending	191.3	265.4	647.9	825.8	1,146.1
Corporate Banking	426.0	98.7	822.9	264.1	386.6
Retail Liabilities	(82.6)	(53.5)	(204.1)	(214.2)	17.8
Treasury and Investments	139.0	(2.9)	249.0	(9.9)	(173.9)
Corporate Centre	-	68.1	-	267.5	270.6
Venture Fund Management	19.0	65.5	61.4	88.9	86.4
Less: Un-allocable expenditure	-	-	-	-	2.3
Total PBT	692.7	441.4	1,577.1	1,222.1	1,736.0
Total PAT	454.0	326.4	1,041.1	835.0	1,182.3

Numbers of the previous period are not comparable since the segments have been



Value Drivers



- Build retail liabilities & distribution business – 110 branches by Mar07
- Focus on wealth management
- Retail and commercial lending with focus on NIMs
- Stress assets business
- Leadership in securities broking
- Integrated corporate & investment bank
- Thrust in asset management business across asset classes
- Life insurance – a long term value creator
- New businesses – bullion, custodial services
- International expansion
- Effective utilisation of surplus capital in subsidiaries

Safe Harbour



This document contains certain forward-looking statements based on current expectations of Kotak Mahindra management. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and outside India, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the businesses of Kotak Mahindra Group as well as its ability to implement the strategy. Kotak Mahindra does not undertake to update these statements.

This document does not constitute an offer or recommendation to buy or sell any securities of Kotak Mahindra Bank or any of its subsidiaries and associate companies. This document also does not constitute an offer or recommendation to buy or sell any financial products offered by Kotak Mahindra, including but not limited to units of its mutual fund and life insurance policies.

All investments in mutual funds and securities are subject to market risks and the NAV of the schemes may go up or down depending upon the factors and forces affecting the securities market. The performance of the sponsor, Kotak Mahindra Bank Limited, has no bearing on the expected performance of Kotak Mahindra Mutual Fund or any schemes thereunder.

Figures for the previous period/ year have been regrouped wherever necessary to conform to current period's/ year's presentation.

Totals in some columns/ rows may not agree due to rounding off.



KOTAK MAHINDRA BANK LIMITED (CONSOLIDATED)

Registered Office: 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai 400 021

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 2006

Rs lakhs

Sr. No.	Particulars	Quarter Ended		Nine Months Ended		Year Ended
		Dec-06 (Unaudited)	Dec-05 (Unaudited)	Dec-06 (Unaudited)	Dec-05 (Unaudited)	Mar-06 (Audited)
1	Interest earned (a+b+c+d)	52,782.88	29,850.53	135,917.51	82,535.20	118,447.68
	(a) Interest/discount on advances/bills	39,229.66	23,027.96	101,997.58	63,703.78	90,969.30
	(b) Income on investments	10,956.35	5,718.23	27,350.13	16,127.78	22,951.23
	(c) Interest on balances with RBI & other banks	1,361.06	388.55	3,358.08	1,056.40	2,004.06
	(d) Others	1,235.81	715.79	3,211.72	1,647.24	2,523.09
2	(a) Other income (other than non recurring) (see Note 2 and 7)	66,276.59	35,506.41	151,150.12	90,362.93	166,963.72
	(b) Other Income (non recurring)	-	-	-	-	12,659.41
3	Total income (1+2)	119,059.47	65,356.94	287,067.63	172,898.13	298,070.81
4	Interest expended	26,681.76	13,483.99	66,813.59	36,151.88	51,956.74
5	Operating expenses (a+b)	63,233.74	36,819.51	155,904.56	94,826.55	166,707.30
	(a) Payments to and Provisions for employees (see Note 6)	19,315.64	9,578.30	49,239.77	28,154.89	43,845.13
	(b) Other operating expenses (see Notes 3 and 9)	43,918.10	27,241.21	106,664.79	66,671.66	122,862.17
6	Total expenditure (4+5)	89,915.50	50,303.50	222,718.15	130,978.43	218,664.04
7	Operating Profit (3-6)	29,143.97	15,053.44	64,349.48	41,919.70	79,406.77
8	Other provisions & contingencies (see Note 1)	5,130.35	403.37	9,480.31	3,479.41	5,124.15
9	(a) Profit before tax (before non recurring income) (7-8-2b)	24,013.62	14,650.07	54,869.17	38,440.29	61,623.21
	(b) Profit before tax (non recurring income)	-	-	-	-	12,659.41
10	Provision for taxes (see Note 8)	7,723.73	5,005.87	18,846.62	13,751.95	21,300.19
11	(a) Profit after tax before Minority Interest (before non recurring) (9a – 10)	16,289.89	9,644.20	36,022.55	24,688.34	40,323.02
	(b) Profit after tax before Minority Interest (non recurring)	-	-	-	-	12,659.41
12	(a) Less: Share of Minority Interest (other than non recurring)	(457.21)	1,561.79	329.22	3,605.52	6,302.09
	(b) Less: Share of Minority Interest (non recurring)	-	-	-	-	3,166.12
13	a) Add: Share in Profit of associates (other than non recurring)	210.64	98.62	1,097.88	81.77	225.01
	(b) Add: Share in Profit of associates (non recurring)	-	-	-	-	29,235.67

14	Consolidated Profit after tax (other than non recurring) (11a-12a+13a)	16,957.74	8,181.03	36,791.21	21,164.59	34,245.94
15	Consolidated Profit after tax (non recurring) (11b-12b+13b)	-	-	-	-	38,728.96
16	Consolidated Profit after tax (including non recurring) (14+15)	16,957.74	8,181.03	36,791.21	21,164.59	72,974.90
17	Paid Up Equity Capital - (Face Value of Rs. 10 per share)	32,593.36	30,909.28	32,593.36	30,909.28	30,929.46
18	Group Reserves (excluding Minority Interest)					193,781.29
19	Minority Interest					27,086.50
20	Analytical Ratios					
	(i) Earnings per Share Basic Rs.					
	Before non recurring income	5.21	2.65	11.37	6.86	11.09
	Non recurring income	-	-	-	-	12.55
	Earnings per Share Basic Rs. (Total)	5.21	2.65	11.37	6.86	23.64
	(ii) Earnings per Share Diluted Rs.					
	Before non recurring income	5.16	2.62	11.27	6.82	11.01
	Non recurring income	-	-	-	-	12.46
	Earnings per Share Diluted Rs. (Total)	5.16	2.62	11.27	6.82	23.47

NOTES:

- Provisions and contingencies are net of recoveries made against accounts which have been written off as bad in the previous period/year.
- Details of other income forming part of the Consolidated unaudited results are as follows:

Rs. lakhs

Particulars	Quarter Ended		Nine Months Ended		Year Ended
	Dec-06 (Unaudited)	Dec-05 (Unaudited)	Dec-06 (Unaudited)	Dec-05 (Unaudited)	Mar-06 (Audited)
Commission, Fees, Exchange and brokerage	31,537.09	20,799.12	75,575.94	54,013.43	86,699.42
Premium on insurance business	20,929.11	11,776.59	49,232.87	25,035.56	61,212.21
Profit on sale of investments incl. revaluation (insurance business)	5,815.69	1,433.14	8,565.08	3,941.09	8,955.01
Profit on sale of investments incl. revaluation others	3,178.55	876.23	6,675.34	2,007.69	3,155.29
Others	4,816.15	621.33	11,100.89	5,365.16	6,941.79
Total – Other income (Other than non recurring)	66,276.59	35,506.41	151,150.12	90,362.93	166,963.72
Profit on sale of investments (non recurring)	-	-	-	-	12,659.41
Total – Other income	66,276.59	35,506.41	151,150.12	90,362.93	179,623.13

- Details of other expenditure forming part of Consolidated unaudited results are as follows:

Rs. lakhs

Particulars	Quarter Ended		Nine Months Ended		Year Ended
	Dec-06 (Unaudited)	Dec-05 (Unaudited)	Dec-06 (Unaudited)	Dec-05 (Unaudited)	Mar-06 (Audited)
Policy holders' reserves, surrender expense and claims	21,832.84	10,596.01	47,380.45	23,902.38	59,162.93
Brokerage	4,329.63	3,119.98	11,577.21	8,182.05	13,083.46
Depreciation	1,825.03	1,529.27	5,243.60	4,379.86	6,071.17
Rent, taxes and lighting	2,073.24	1,470.80	5,821.82	4,172.00	5,716.73
Others	13,857.36	10,525.25	36,641.71	26,035.37	38,827.88
Total – Other operating expenses	43,918.10	27,241.21	106,664.79	66,671.66	122,862.17

- The consolidated financial results are prepared in accordance with Accounting Standard – 21, "Consolidated Financial Statements " and (AS) -23 " Accounting for investment in associates in consolidated financial statement " issued by Institute of Chartered Accountants of India.
- On 15th March, 2006, Kotak Group agreed to buy 25.01% stake held by Goldman Sachs Mauritius LLC (GS) in Kotak Mahindra Capital Limited (KMCC) and Kotak Securities Limited (KS). The consideration for the acquisition of 25.01% stake of GS is Rs. 333.00 crores. The transaction was consummated on 31st May, 2006. KS bought the stake held by GS in KMCC while KMCC bought the stake held by GS in KS. Subsequent to this KMCC and KS have become wholly owned subsidiaries of the Bank. Consequent to the above, the consolidated results for the period April to December 2006 include 100% share of profits with effect from 31st May, 2006 (74.99% till 30th May, 2006) of KMCC, KS, Kotak Mahindra Securities Limited and international subsidiaries with effect from 31st May, 2006 and incremental share in profits of associate. The excess of the book value of the net assets acquired over purchase consideration amounting to Rs. 28.15 crores has been accounted as capital reserve.
- Effective 1st April, 2006, the Bank adopted the revised Accounting Standard 15 (AS 15) on Employee Benefits. Pursuant to its adoption, the additional obligations of the Bank for the period up to 31st March, 2006 amounted to Rs.1,714.74 lakhs (net of deferred tax) and in accordance with AS 15, the said additional obligation has been charged to the opening reserves as at 1st April, 2006. The figures for the previous periods have not been recast. The payments to and provisions

for employees for the quarter ended 31st December, 2006 include provision for employee benefits of Rs. 732.86 lakhs and Rs. 2,194.14 lakhs for the nine months ended 31st December, 2006.

- 7 Other income in the consolidated results for the reporting periods is net of sub-brokerage paid in the broking subsidiary amounting to Rs. 1,458.62 lakhs for the quarter ended 31st December, 2006 and for nine months ended 31st December, 2006 Rs. 4,057.12 lakhs (for the quarter ended 31st December, 2005 Rs. 1,073.71 lakhs; nine months ended 31st December, 2005 Rs. 3,529.13 lakhs and for the year ended 31st March, 2006 Rs. 5,406.17 lakhs).
- 8 Provision for taxes (net of deferred tax) for the quarter ended 31st December, 2006, includes Fringe Benefit Tax provision amounting to Rs. 257.95 lakhs and for nine months ended 31st December, 2006 Rs. 630.69 lakhs (for the quarter ended 31st December, 2005 Rs. 198.96 lakhs and nine months ended 31st December, 2005 Rs. 454.71 lakhs and for the year ended 31st March, 2006 Rs. 250.00 lakhs).
- 9 The Group has changed the effective useful life of owned premises from 30 years to 58 years with effect from 1st April, 2006. The unamortized cost of the premises will be depreciated over the remaining useful life in accordance with Accountant Standard (AS) 6 "Depreciation Accounting". The difference in depreciation on account of above change has been recognised in profit and loss account in the quarter ended 31st December, 2006. Accordingly, depreciation for the nine months ended 31st December, 2006 is lower by Rs. 103.48 lakhs, for the quarter ended 31st December, 2006 by Rs. 36.60 lakhs. The depreciation for the quarter ended 31st December, 2006 also has the effect of lower depreciation for the half year ended 30th September, 2006 of Rs. 66.88 lakhs. Had the Bank followed the same estimated useful life for the previous year, the depreciation for the nine months and the quarter ended 31st December, 2005 would have been lower by Rs. 100.55 lakhs and Rs. 33.64 lakhs respectively.
- 10 Figures for the previous period/ year have been regrouped wherever necessary to conform to current period's presentation.
- 11 The above results were taken on record at the Audit Committee meeting and at the meeting of the Board of Directors held on 22nd January, 2007.



KOTAK MAHINDRA BANK LIMITED (STANDALONE)

Registered Office: 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai 400 021

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER 2006

Rs lakhs

Sr. No.	Particulars	Quarter Ended		Nine Months ended		Year Ended
		31-Dec-06 (Unaudited)	31-Dec-05 (Unaudited)	31-Dec-06 (Reviewed)	31-Dec-05 (Reviewed)	31-Mar-06 (Audited)
1	Interest earned (a+b+c+d)	35,710.27	18,219.48	89,450.83	48,569.37	69,402.26
	(a) Interest/ discount on advances/bills	26,625.84	14,247.60	68,416.45	38,084.08	53,904.79
	(b) Income on investments	7,979.86	3,838.11	18,765.47	10,026.21	14,354.95
	(c) Interest on balances with RBI & other banks	1,073.85	115.55	2,180.15	428.73	1,053.03
	(d) Others	30.72	18.22	88.76	30.35	89.49
2	Other Income	9,542.86	4,872.81	22,218.26	15,781.54	24,293.15
3	(A) Total income (1+2)	45,253.13	23,092.29	111,669.09	64,350.91	93,695.41
4	Interest expended	18,582.26	9,088.38	47,054.49	23,893.87	33,908.86
5	Operating expenses (e+f)	15,740.22	9,440.82	41,627.11	25,607.10	38,730.24
	(e) Payments to and Provisions for employees (See Note 5)	7,424.91	3,816.23	19,251.65	9,944.06	15,382.33
	(f) Other Operating expenses	8,315.31	5,624.59	22,375.46	15,663.04	23,347.91
6	(B) Total expenditure (4+5)	34,322.48	18,529.20	88,681.60	49,500.97	72,639.10
7	Operating Profit (A-B)	10,930.65	4,563.09	22,987.49	14,849.94	21,056.31
8	Other provisions & contingencies (see Note 1,6,7 and 8)	4,003.56	148.81	7,216.75	2,629.19	3,696.76
9	Profit before tax	6,927.09	4,414.28	15,770.73	12,220.75	17,359.55
10	Provision for taxes (see Note 11)	2,387.00	1,150.00	5,360.00	3,871.00	5,536.50
11	Profit after tax (9-10)	4,540.09	3,264.28	10,410.73	8,349.75	11,823.05
12	Paid Up Equity Capital - (Face Value Rs. 10 per share)	32,593.36	30,909.28	32,593.36	30,909.28	30,929.46
13	Reserves excluding revaluation reserves					54,345.21
14	Analytical Ratios					
	(i) % of shares held by Govt. of India	Nil	Nil	Nil	Nil	Nil
	(ii) % Capital adequacy ratio (see Notes 13 and 14)	11.59%	11.05%	11.59%	11.05%	11.27%
	(iii) Earnings per Share Basic Rs. (see Note 15)	1.39	1.06	3.22	2.71	3.83
	(iv) Earnings per Share Diluted Rs. (see Note 15)	1.38	1.05	3.19	2.69	3.80
15	Public Shareholding (see Note 17)					
	(i) No. of shares	144,701,166	128,013,200	144,701,166	128,013,200	128,216,169
	(ii) % of shareholding	44.40%	41.42%	44.40%	41.42%	41.45%



KOTAK MAHINDRA BANK LIMITED (STANDALONE)

Registered Office: 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai 400 021

SEGMENT RESULTS

Rs. lakhs

Sr No	Particulars	Quarter Ended		Nine Months Ended		Year Ended
		31-Dec-06 (Unaudited)	31-Dec-05 (Unaudited)	31-Dec-06 (Reviewed)	31-Dec-05 (Reviewed)	31-Mar-06 (Audited)
1	Segment Revenue (see Note 3)					
	Lending	23,712.80	11,578.03	59,600.34	34,354.14	49,280.26
	Corporate Banking	10,532.16	4,588.32	26,937.85	11,837.07	18,169.89
	Treasury and Investments	11,750.01	5,388.75	28,194.53	15,445.47	18,841.34
	Retail Liabilities	10,479.12	4,441.57	25,278.92	10,620.55	20,198.39
	Venture Fund Management	381.35	778.02	1,330.14	1,325.69	1,767.59
	Corporate Centre	-	1,476.63	-	4,467.93	5,478.05
	Total	56,855.45	28,251.32	141,341.78	78,050.85	113,735.52
	Less: Inter segment revenue	11,602.32	5,159.03	29,672.69	13,699.94	20,062.82
	Add: Unallocable revenue	-	-	-	-	22.71
	Total Revenue	45,253.13	23,092.29	111,669.09	64,350.91	93,695.41
2	Segment Results (see Note 3)					
	Lending	1,912.73	2,654.35	6,478.86	8,258.12	11,461.36
	Corporate Banking	4,259.96	987.27	8,228.79	2,640.66	3,866.03
	Treasury and Investments	1,390.35	(28.74)	2,490.25	(99.09)	(1,738.56)
	Retail Liabilities	(825.77)	(534.96)	(2,040.87)	(2,142.45)	178.42
	Venture Fund Management	189.82	655.27	613.70	888.90	863.77
	Corporate Centre	-	681.09	-	2,674.61	2,705.82
	Total	6,927.09	4,414.28	15,770.73	12,220.75	17,336.84
	Add: Unallocable revenue	-	-	-	-	22.71
	Profit Before Tax	6,927.09	4,414.28	15,770.73	12,220.75	17,359.55
3	Segment Assets (see Note 3)					
	Lending	7,51,149.42	432,193.86	7,51,149.42	432,193.86	496,089.22
	Corporate Banking	4,03,329.89	317,345.68	4,03,329.89	317,345.68	283,622.61
	Treasury and Investments	6,35,506.84	279,056.10	6,35,506.84	279,056.10	361,271.68
	Retail Liabilities	449,802.98	189,927.24	449,802.98	189,927.24	255,993.09
	Venture Fund Management	-	-	-	-	-
	Corporate Centre	-	32,043.15	-	32,043.15	35,117.57
	Total	2,239,789.13	1,250,566.03	2,239,789.13	1,250,566.03	1,432,094.17
	Less: Inter segment assets	631,285.14	354,396.57	631,285.14	354,396.57	417,111.76
	Total Assets	1,608,503.99	896,169.46	1,608,503.99	896,169.46	1,014,982.41
4	Segment Liabilities (see Note 3)					
	Lending	671,207.24	378,137.13	671,207.24	378,137.13	438,634.63
	Corporate Banking	371,501.11	296,362.17	371,501.11	296,362.17	261,269.35
	Treasury and Investments	609,855.87	272,479.93	609,855.87	272,479.93	356,429.02
	Retail Liabilities	449,506.03	193,721.78	449,506.03	193,721.78	258,063.10
	Venture Fund Management	-	-	-	-	-
	Corporate Centre	-	26,678.53	-	26,678.53	31,549.25
	Total	2,102,070.25	1,167,379.54	2,102,070.25	1,167,379.54	1,345,945.35
	Less: Inter segment liabilities	631,285.16	354,396.57	631,285.16	354,396.57	417,111.76
	Total Liabilities	1,470,785.09	812,982.97	1,470,785.09	812,982.97	928,833.59
5	Unallocated Assets/(Liabilities)- (net)	2,646.60	713.37	2,646.60	713.37	(874.15)

Notes

- Provisions and contingencies are net of recoveries made against accounts which have been written off as bad in the previous period/year.
- The Board of Directors of the Bank at its meeting held on 15th May, 2006, approved the dividend @ 6.00% for the year ended 31st March, 2006, which has been approved by the shareholders at the Annual General Meeting (AGM). Subsequent to 31st March, 2006, the Bank has issued 15,000,000 Global Depository Shares (GDS) representing 15,000,000 underlying equity shares and allotted 435,578 equity shares pursuant to exercise of employee stock options up to the date of book closure. Out of the above the audited results for the year ended 31st March, 2006 include dividend proposed on 15,005,625 equity shares allotted up to the date of completion of audit. The Bank has paid dividend on the remaining 429,953 equity shares as they rank pari-passu with existing equity shares for dividend.
- Till 31st March, 2006, the Bank had classified Corporate Centre, whose principal activity consisted of strategic and portfolio investments and group activities as a separate segment. Consequent to cessation of a significant part of revenues in the aforesaid segment, effective 1st April, 2006, Corporate Centre ceases to be a segment. Accordingly, the Bank has changed its business segments. Consequent to the same, the segment results for the reporting period are strictly not comparable with those of the previous period. The revised business segments and their principal activities are as under :

Segment	Principal activity
Corporate Banking	Wholesale borrowings and lendings and services to corporate sector
Lending	Commercial vehicle finance, personal loans, home loans, agriculture finance and other loans/services.
Retail liabilities	Retail borrowings covering savings and current accounts and banking branch network and services.
Treasury and Investments	Money market, forex market, derivatives and investments
Venture Fund Management	Management of venture capital and private equity fund

The above segments have been identified based on the organisation structure, the customer segment, products and services offered and its relation to risk and reward, and the internal reporting process.

A transfer pricing mechanism between all the above segments has been established to arrive at interest cost on the borrowings of the segments.

- Status of shareholder complaints received during the quarter ended 31st December, 2006 :

Total complaints pending as at 30 th September, 2006	NIL
Total complaints received during the quarter ended 31 st December, 2006	35
Total complaints resolved during the quarter ended 31 st December, 2006	35
Total complaints pending as at 31 st December, 2006	NIL

- Effective 1st April, 2006, the Bank adopted the revised Accounting Standard 15 (AS 15) on Employee Benefits. Pursuant to its adoption, the additional obligations of the Bank for the period up to 31st March, 2006 amounted to Rs.1,023.28 lakhs (net of deferred tax) and in accordance with AS 15, the said additional obligation has been charged to the opening reserves as at 1st April, 2006. The figures for the previous periods have not been recast. The payments to and provisions for employees include provision for employee benefits of Rs. 1,086.51 lakhs for the nine months ended 31stDecember, 2006 (Rs.329.43 lakhs for the quarter ended 31st December, 2006).

6. Upto 31st May, 2006, in accordance with the RBI guidelines on purchase of non-performing assets, the Bank was recognising income at individual asset level. The Bank had also created a floating provision towards such assets, equivalent to the income recognised on individual accounts under a portfolio, wherever, the total collection was less than the cost paid for that portfolio.

Vide circular dated 22nd June, 2006, the RBI has mandated specific conditions for creation and utilisation of floating provisions. Consequent to the same, the Bank has discontinued its policy of creating floating provisions for a portfolio and continues to recognise income and provision for NPA at the asset level. Consequent to a clarification received from the RBI, the Bank has written back floating provision amounting to Rs. 158.88 lakhs for the nine months ended 31st December, 2006 on those assets which have been fully realized.

7. Other provisions and contingencies for the nine months ended 31st December, 2006 includes Rs. 2,349.49 lakhs (Rs. 2,036.22 lakhs for the quarter ended 31st December, 2006) on account of non-performing assets acquired from other banks and NBFCs in accordance with RBI guidelines on purchase of non-performing assets (NPAs) dated 13th July, 2005.

During the nine months ended 31st December, 2005 there was a write back of Rs. 47.82 lakhs (Rs. 1.67 lakhs for the quarter ended 31st December, 2005). Further, an amount of Rs. 1,335.31 lakhs was written back on account of floating provision in respect of specific stress asset portfolio in accordance with the RBI mandate during the nine months ended 31st December, 2005 (including Rs. 1,335.31 lakhs for the quarter ended 31st December, 2005).

8. During the nine months ended 31st December, 2006, the RBI vide circular DBOD.No.BP.BC.85/21.04.048/2005-2006 has increased provisioning requirements on standard assets in respect of personal loans, loans and advances qualifying as capital market exposures, residential housing loans beyond Rs. 20 lakhs and commercial real estate loans from 0.40% to 1.00%. Further, vide its circular DBOD.No. BP.BC.21/21.04.048/2006-2007, the RBI has permitted the Banks to phase out the provisioning requirement over four quarters. The Bank has increased its provision on standard assets from 0.50% to 0.90% during the nine months ended 31st December, 2006 in respect of personal loans and from 0.40% to 0.85% in respect of loans and advances qualifying as capital market exposure, residential housing loans beyond Rs. 20 lakhs and commercial real estate loans. This has resulted in increase in provisions and contingencies by Rs. 1,361.58 lakhs during the nine months ended 31st December, 2006 (Rs 638.87 lakhs during the quarter ended 31st December, 2006).
9. The Board of Directors of the Bank has approved the scheme of merger of the Trading and Principal (including primary dealership) division of Kotak Mahindra Capital Company Ltd. (KMCC) into the Bank. The shareholders of the Bank have approved the aforesaid scheme at the Extra Ordinary General Meeting held on 5th December, 2006. The Scheme would be effective from the date of approval by the High Court of Mumbai and any other requisite approvals. Further, in order to meet a license condition of the RBI, the Bank has invested Rs. 234.19 lakhs in Kotak Mahindra Securities Limited during the nine months ended 31st December, 2006 and amount aggregating to Rs. 1,376.44 lakhs during the quarter ended 31st December, 2006 as additional capital in Kotak Mahindra (International) Limited, Kotak Mahindra (U.K.) Limited, Kotak Mahindra Inc., Global Investments Opportunities Fund Limited which has made them direct subsidiaries of the Bank.
10. During the nine months ended 31st December, 2006, the Bank raised Rs. 45,004.95 lakhs on issue of 15,000,000 GDS representing 15,000,000 underlying equity shares of Rs. 10/- each. The net issue expenses amounting to Rs. 927.40 lakhs related to the aforesaid issue have been charged to the securities premium account as allowed under Section 78 of the Companies Act, 1956.
11. Provision for taxes (net of deferred tax) for the nine months ended 31st December, 2006 includes fringe benefit tax provision amounting to Rs. 250.00 lakhs and Rs. 121.00 lakhs for the quarter ended 31st December, 2006 (Rs. 175.00 lakhs for the nine months ended 31st December, 2005, Rs. 70.00 lakhs for the quarter ended 31st December, 2005 and Rs. 250.00 lakhs for the year ended 31st March, 2006).
12. During the nine months ended 31st December, 2006, the Bank has subscribed to the rights issue of equity shares of its subsidiary, Kotak Mahindra Old Mutual Life Insurance Limited (Kotak Life) amounting to Rs. 2,267.96 lakhs. The total investment made by the Bank in Kotak Life as on 31st December, 2006 is Rs. 14,741.72 lakhs.



13. The capital adequacy as on 31st December, 2006 is after considering the audited financial results up to 30th September, 2006, in line with the RBI guidelines.
14. As on 31st December, 2006, the Bank has raised Rs. 35,000.00 lakhs of Bonds eligible to be classified as Tier II Capital and the same has been considered for arriving at the capital adequacy as on 31st December, 2006.
15. During the nine months ended 31st December, 2006, the Bank has granted 54,86,600 equity shares to employees of the Bank and its subsidiaries under employee stock options scheme, including 29,40,000 equity shares in the current quarter. Further, during the nine months ended 31st December, 2006, 16,38,986 options were exercised by the employees, including 8,87,300 in the current quarter. The stock options outstanding as at 31st December, 2006 are 73,20,306.
16. The Bank has changed the effective useful life of owned premises from 30 years to 58 years with effect from 1st April, 2006. The unamortized cost of the premises will be depreciated over the remaining useful life in accordance with Accounting Standard (AS) 6 "Depreciation Accounting" issued by the Institute of Chartered Accountants of India. The difference in depreciation on account of the above change has been recognised in the profit and loss account in the quarter ended 31st December, 2006. Accordingly, depreciation for the nine months ended 31st December, 2006 is lower by Rs. 103.07 lakhs and for the quarter ended 31st December, 2006 by Rs. 36.46 lakhs. Had the Bank followed the same estimated useful life for the previous year, the depreciation for the nine months and the quarter ended 31st December, 2005 would have been lower by Rs. 100.14 lakhs and Rs. 33.50 lakhs respectively.
17. Public shareholding as at 31st December, 2006 has been computed in accordance with the definition of promoters as defined in SEBI Substantial Acquisition and Takeover Regulations 1997 as amended on 26th May, 2006.
18. Figures for the previous period/ year have been regrouped wherever necessary to conform to current period's presentation.
19. The above results were taken on record at the Audit Committee meeting and at the meeting of the Board of Directors held on 22nd January, 2007. The results for the nine months ended 31st December, 2006 have been subjected to limited review by the Statutory Auditors.

By order of the Board of Directors
For Kotak Mahindra Bank Limited

Dipak Gupta
Executive Director

Mumbai, 22nd January, 2007